

April 15, 2019

Ms. Sajuti Rahman, Economic Development Analyst
Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

Dear Ms. Rahman:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Suisun City Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 22, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 4 – Marina Construction Loan totaling \$5,475,877 is partially approved. It is our understanding that the item is related to the Loan and Operation Contract (Contract) between the Suisun City Redevelopment Agency, Suisun City, and the California Department of Boating and Waterways fully executed on July 27, 1992. The Agency requested \$5,475,877 for the loan repayment and the maintenance costs related to the Marina project; however, documentation provided by the Agency indicates \$1,424,645 was already paid from other available funds. Therefore, with the Agency's concurrence, the requested amount of \$5,475,877 is reduced by \$1,424,645 to \$4,051,232 (\$5,475,877 – \$1,424,645).
- Item No. 6 – Supplemental Educational Revenue Augmentation Fund (SERAF) loan in the total outstanding amount of \$6,901,505 is not allowed. HSC section 34171 (d) (1) (G) requires the Oversight Board (OB) to approve a repayment schedule for the amounts borrowed. The Agency has not submitted an OB resolution approving the repayment schedule. Once the OB approves the loan and loan repayment schedule, and the corresponding OB action is approved by Finance, the Agency may request funding for this item on a future ROPS. Therefore, this item is not an enforceable obligation and the requested amount of \$690,150 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) at this time.
- Item No. 33 – Marina East Restoration and Marina Promenade Extension Plan in the requested amount of \$62,000 is not allowed. The Agency is requesting the funds to complete a biological assessment and a wetland delineation study to enhance the City's promenade. According to the Agency, this item is related to Small Craft Harbor Loan and Operation Contract (Contract), which is an existing enforceable obligation included on the ROPS as Item No. 4. However, the Contract does not specify a biological assessment or a wetland delineation study is part of the project scope. Therefore, this item is not an enforceable obligation and the requested amount of \$62,000 from RPTTF is not allowed.

- Item No. 34 – Parking Implementation Plan in the total outstanding obligation amount of \$72,000. This item is related to the Fourth Amendment to Disposition and Development Agreement (DDA) entered between the Agency and the Main Street West Partners, LLC (Developer) on April 29, 2016. According to the DDA, both parties agree that a parking study must be performed to identify a potential solution to a possible parking shortage. The Developer agrees to pay the Agency \$10,000 towards the parking study concurrent with the sale of the first residential parcel. The Agency confirmed it received the \$10,000 from the Developer in October 2018. Since the Agency has \$10,000 available for the parking study, \$10,000 of the \$72,000 will be reclassified from RPTTF to Other Funds.
- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$21,576 from Other Funds, available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 12 – Main Street West Disposition and Development Agreement in the amount of \$21,576 is reclassified from RPTTF to Other Funds. This item does not require payment from property tax revenues and the Agency has \$21,576 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$103,194 and the use of Other Funds in the amount of \$21,576, totaling \$124,770.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the CAC's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved distribution for the reporting period is \$8,596,366 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

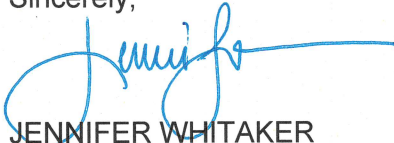
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Jane Xuan, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Elizabeth Luna, accounting services manager, Suisun City
Ms. Rosemary Bettencourt, Deputy Auditor-Controller, Solano County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 8,578,987	\$ 2,149,485	\$ 10,728,472
Administrative RPTTF Requested	100,000	100,000	200,000
Total RPTTF Requested	8,678,987	2,249,485	10,928,472
RPTTF Requested	8,578,987	2,149,485	10,728,472
<u>Adjustments</u>			
Item No. 4	(1,424,645)	0	(1,424,645)
Item No. 6	(345,075)	(345,075)	(690,150)
Item No. 12	(21,576)	0	(21,576)
Item No. 33	(62,000)	0	(62,000)
Item No. 34	(10,000)	0	(10,000)
	(1,863,296)	(345,075)	(2,208,371)
RPTTF Authorized	6,715,691	1,804,410	8,520,101
Administrative RPTTF Authorized	100,000	100,000	200,000
Total RPTTF Authorized for Obligations	6,815,691	1,904,410	8,720,101
Prior Period Adjustment	(123,735)	0	(123,735)
Total RPTTF Approved for Distribution	\$ 6,691,956	\$ 1,904,410	\$ 8,596,366